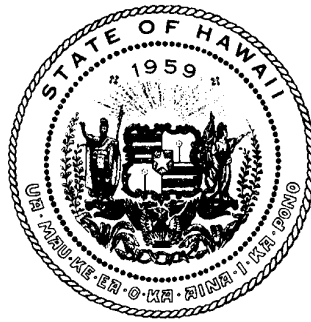


**ANNUAL REPORT TO THE TWENTY-FIRST LEGISLATURE
REGULAR SESSION OF 2002
HAWAII COASTAL ZONE MANAGEMENT**



Prepared by
OFFICE OF PLANNING
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
STATE OF HAWAII

In response to Section 205A-3(10), Hawaii Revised Statutes

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PURPOSE

Section 205A-3(10), Hawaii Revised Statutes (HRS), requires the Office of Planning (OP) to prepare an annual report on the Hawaii Coastal Zone Management (CZM Hawaii) Program and to submit this report to the Governor and Legislature. This report describes the CZM activities for the fiscal year July 1, 2000 to June 30, 2001.

INTRODUCTION

The CZM Hawaii Program was developed in response to the national CZM Act of 1972, as amended, (PL. 104-150 of 1996) and was formally adopted by legislation in 1977. Chapter 205A, the Hawaii CZM law, designates OP as the lead agency for administration of the CZM Hawaii Program. OP is attached to the Department of Business, Economic Development & Tourism for administrative purposes.

CZM Hawaii provides a framework for designing and carrying out permitted land and water uses and activities while respecting the resources and values expressed by the CZM objectives and policies. Chapter 205A, HRS, was enacted to provide a coordinated perspective for government and the private sector in the use and protection of coastal resources. In building on existing authorities rather than creating new ones, the CZM Hawaii Program relies on a network of authorities and partnerships for implementation. CZM Hawaii has working relationships with all levels of government. The program also works with businesses, environmental organizations, educational institutions, non-profit organizations, special interest organizations, and the general public.

The format of this report is as follows:

1. Federal Coordination and State Initiatives
2. State and County Coordination
3. Public Participation and Education
4. CZM Administration
5. Legislative Proposals
6. Summary and Recommendations

I. FEDERAL COORDINATION AND STATE INITIATIVES

The 1972 Federal Coastal Zone Management Act (CZMA) was part of the national response to a worldwide change in consciousness about our oceans and coastline. The Commission on Marine Sciences, Engineering and Resources (better known as the Stratton Commission) issued a report entitled Our Nation and the Sea in 1969. The report cited key factors that impeded effective coastal management, such as local governments giving low priority to marine matters, the diffusion of responsibilities among state agencies, and the states' failure to develop and implement long-range coastal management plans. The CZMA was enacted to respond to some of these jurisdictional gaps in the existing management of coastal areas.

Because effective management requires responses to both federal and state interests, Congress encouraged rather than required state participation in the national CZM Program. Congress accomplished this with three major incentives. It legislated the program on the basis of states' rights and self-determination; it offered grants to help states develop and implement their CZM programs; and it offered the privilege of administering the federal consistency review program to assure that federal actions are consistent with the federally-approved state CZM Programs.

Federal consistency is an extremely important incentive from a state management perspective. This modification of the federal supremacy clause provides for a central focus on coastal resource management for federal, state, and county governments. The federal consistency provision requires all federal actions undertaken in or affecting a state's coastal zone to be consistent with the state's approved coastal program. Where national defense or other overriding national interests are concerned, the federal actions must at least be consistent "*to the maximum extent practicable*" [15 CFR 930.32] with the state's approved program. In addition, federally-licensed and permitted activities and federally-funded projects must be consistent with state coastal programs if the proposed activities affect a state's coastal zone. Hence, federal consistency affords states the opportunity to review, influence, and modify federal agency decisions affecting coastal land and water resources. In this way, federal agencies can no longer act independently of or in conflict with state coastal programs.

A. CZM Work Plan

Each year CZM Hawaii prepares an annual work plan to support its application for federal CZM implementation funds. The work plan describes CZM Hawaii projects and activities that will be undertaken during the fiscal year (July 1 - June 30).

During FY 00-01, the CZM Program received \$932,000 in Federal Section 306 funds, \$91,000 more than in FY 99-00. These federal funds support general CZM Hawaii Program implementation and require an equal amount in match of State funds or non-federal services-in-kind. In FY 00-01, the State's match comprised approximately \$432,834 in cash and \$499,166 in services-in-kind. Approximately 30% of these federal and State CZM funds supported CZM Hawaii Program personnel (salaries and fringe benefits), 66% funded implementation of Special

Management Area (SMA) permit processes and other CZM Hawaii activities at the County level, and 4% accounted for expenses associated with CZM Hawaii program administration.

The CZM Hawaii Program received \$171,000 in Federal Section 309 funds during FY 00-01, \$4,000 less than in FY 99-00. These federal funds have no matching requirements, but must be expended on projects meeting specific national programmatic objectives. The no matching funding requirement for Section 309 funds support activities culminating in program changes for priority enhancement areas identified by the State. The Section 309 projects funded in FY 00-01 are described below.

In addition, CZM Hawaii received \$53,000 in Federal Section 6217 funds during FY 00-01, \$14,000 less than in FY 99-00. These funds are to be used to support Coastal Nonpoint Pollution Control Program (CNPCP) development activities and require an equal amount in match of State funds or non-federal services-in-kind, which in FY 00-01, was comprised entirely of non-federal services-in-kind contributions.

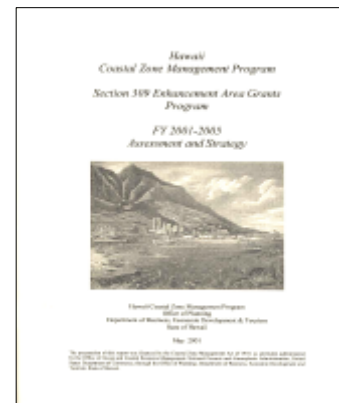
As a result of declining State budgets over the past few years, approximately \$150,000 of the federal grant is used to fund four (4) permanent State civil service positions in the CZM Hawaii Program. Due to the lack of State funding, matching dollars for the federal grant have not been available. With this continuing trend, important initiatives will not be possible. The inability to secure sufficient cash for the match and the administrative costs and burdens for the use of services-in-kind for the match are jeopardizing the State's ability to carry out the program and continue its eligibility to receive federal grant funds. An adequate level and permanent source of State funds must be identified to maintain the integrity of the program and for the State to demonstrate its commitment to the program in response to federal evaluation findings.

LOOKING AHEAD TO FY 01-02 . . . The State will receive \$1,304,000 in Federal Section 306 funds, \$171,000 in Section 309 funds, and \$145,000 in Section 6217 funds, for a total of \$1,620,000 in federal funding during FY 01-02. Both Sections 306 and 6217 funds require an equal amount of State match and Section 6217 funds are to be used for projects implementing Hawaii's CNPCP. The CZM Hawaii Program will also be reprogramming unspent funds from the previous grant periods mainly due to savings caused by staff vacancies.

B. Section 309 Coastal Zone Enhancement Grants Program

Section 309 enhancement grant encourages states to develop program changes in one or more of the nine designated coastal zone enhancement areas to achieve certain national objectives. The enhancement areas include wetlands, public access, coastal hazards, cumulative and secondary impacts, energy and government facility siting, marine debris, ocean resources, special management planning and aquaculture. To participate in the Section 309 grant program, Hawaii develops an assessment and strategy plan.

Federal guidelines for the Section 309 Assessment and



Strategy were issued in July 2000 to cover a five-year grant cycle from FY 01-05. The CZM Hawaii Program conducted an assessment involving 500 key stakeholders representing elected officials, government agencies, land owners, planning community, educators, business interests, environmental organizations, and community nonprofit organizations in the State of Hawaii. The stakeholders were selected based on their professional interests in the nine Section 309 enhancement objectives, as well as the two other proposed enhancement areas - endangered species and marine protected areas. Over 30% of the stakeholders returned the assessment which were then analyzed. The CZM Hawaii Program also conducted 18 public informational meetings between November 20, 2000 and January 11, 2001. The evening meetings were held on the islands of Lanai, Molokai, Oahu, Kauai, Maui, and Hawaii. Information gathered at the public meetings and the formal assessment instrument provided CZM Hawaii with sufficient information to determine priorities for Section 309.

Based on the analysis and results of the questionnaire and other information (including current enhancement projects), CZM Hawaii has selected cumulative and secondary impacts (CSI), ocean resources, and coastal hazards, as the priority enhancement areas over the next five years.

During FY 00-01, Section 309 funds supported among others, projects related to Coastal Hazards, Ocean Resources Management Plan (ORMP) Implementation, Native Hawaiian Access Rights, Cumulative and Secondary Impacts, Geographic Information System (GIS) technology, and cruise ship discussions.

1. *Coastal Hazards:* During FY 00-01, CZM Hawaii continued to build partnerships through its participation in statewide and countywide hazard mitigation activities. The following summarizes the coastal hazard activities undertaken by CZM Hawaii:

- Hawaii Coastal Erosion. CZM Hawaii has been an active member of this committee since its inception in 1997. The Committee was formed as a subcommittee to the Marine and Coastal Zone Management Advisory Group (MACZMAG) to address the problems with shoreline erosion and beach management affecting the State. The Committee is composed of a diverse set of representatives from government agencies, research institutions, and non-government organizations. The Committee continues to work on a streamlined permitting process for beach nourishment, restoration and enhancement in the State of Hawaii. The Committee is also involved in an economic analysis of Waikiki Beach on Oahu and Kihei Beach on Maui. Results of these analyses will assist in obtaining additional resources to undertake appropriate beach management practices. The Committee is also involved in the development of a coastal erosion guidebook to provide information and alternative solutions to developers and decision makers throughout the State. In addition, committee members are advocating for the completion of a statewide historic shoreline variability assessment. The assessment would provide a mechanism to model shoreline changes over time and provide coastal managers and decision makers with prerequisite data to define policies regarding coastal development and management (i.e., SMA boundaries, shoreline setback, land use, etc.).

- Statewide Hazard Mitigation Forum. CZM Hawaii continues to serve as a board member of the Statewide Hazard Mitigation Forum. The Forum is comprised of State, County, and Federal representatives, as well as other participants from the private sector (i.e., utility companies, Red Cross, etc.). In January 2001, the Forum



launched a statewide public awareness and education campaign to provide Hawaii residents with information about how to minimize their risks from the impact of natural hazards. The campaign showcased a public service

announcement (PSA) which has been televised on major channels. The PSA features *five characters representing Mother Nature* and her formidable forces -- hurricane, earthquake, flash flood, and tsunami. New collateral materials including posters, brochures, and other take-away handouts have also been distributed statewide. In addition, a web site (www.mothernature-hawaii.com) has been developed through CZM funding to assist in disseminating hazard preparedness and mitigation information to the public.

The Forum members are also responsible for the review and recommendations to the Federal Emergency Management Agency (FEMA) of eligible mitigation projects for grant awards.

- Project Impact (FEMA). CZM Hawaii is an active participant with the Maui, Kauai, Hawaii, and Oahu project impact programs. Project Impact is funded through FEMA at the County level. The purpose of Project Impact is to generate increased public awareness regarding natural hazards, to prepare communities to reduce risk, and to undertake risk and vulnerability assessments, and the development of mitigation strategies to protect life and property.
- Lava Flow Mitigation Technical Committee. The Lava Flow Mitigation Technical Committee was established within the State Department of Defense in October 2000, in response to the Governor's request that a lava flow mitigation plan be developed to address the specific hazard of lava flows that could reach inhabited areas in the State of Hawaii. The Island of Hawaii is home to Kilauea, one of the world's most active volcanoes. Mauna Loa volcano, also located on the Island of Hawaii, represents the highest risk to residential areas.



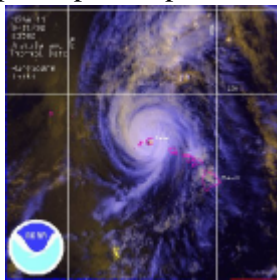
CZM Hawaii was invited to participate in the process and has been an active member of this Committee since November 2000. Membership of the Committee consists of a broad cross-section of scientists, engineers, land use and coastal zone planners, and emergency managers. The Committee is currently in the process of drafting the mitigation plan. CZM Hawaii is

providing expertise in the area of planning and is assisting in the drafting and review of the mitigation plan.

- Maui Island Risk and Vulnerability Assessment and Hazard Mitigation Plan. CZM Hawaii continues to partner with Maui County's Project Impact efforts. In April 2001, CZM Hawaii participated in the *Ready, Set, Safe Fair* presented by Maui County Project Impact at the Kaahumanu Shopping Center on Maui. CZM Hawaii presented a video on coastal erosion in Hawaii and shared disaster awareness information with the community. Maui County's Project Impact reported that several hundred people visited the display booths, and the event was very successful in raising public awareness regarding Maui's potential disasters and the preparation needed to deal with them.

CZM Hawaii is also a co-sponsor of the Maui Livable Islands Conference, which focuses on Maui's sustainability and includes expert speakers on the principles of smart growth. The conference will be held on Maui in October 2001.

- Kauai County Risk and Vulnerability Assessment and Hazard Mitigation Plan. In January 2001, CZM Hawaii was invited by Kauai County Project Impact to participate as part of their steering committee to develop a multi-hazard mitigation plan. Kauai County Project Impact has contracted with the University of Hawaii's (UH) Social Science Research Institute (SSRI) to conduct a Risk and Vulnerability Assessment (RVA). CZM Hawaii has been actively assisting Kauai County's Project Impact and SSRI to raise the level of awareness of the importance of hazard mitigation planning for Kauai through presentations to the Kauai County Council, State and County agencies, businesses, and community groups. In addition, CZM Hawaii has provided various reports and studies to Kauai County, including relevant GIS hazard layers, the *Hawaii Coastal Hazard Mitigation Planning Project* report, portions of the *Atlas of Natural Hazards in the Hawaiian Coastal Zone*, and a draft of the *Maui Multi-Hazard Mitigation Strategy*.



In May 2001, CZM Hawaii participated in the *Hurricane, Flood & Tsunami Information Fair* presented by Kauai County Project Impact, held at the Kukui Grove Shopping Center on Kauai. CZM Hawaii engaged many members of the Kauai community in discussions about disaster awareness and preparedness. Kauai County is the first municipality in the nation to give its residents a real property tax break for adding hurricane-resistant rooms (safe rooms) to their homes.

By December 2001, CZM Hawaii will be providing Kauai County with significant resources to concurrently prepare a mitigation plan with the RVA.

- Hawaii County Risk and Vulnerability Assessment and Hazard Mitigation Plan. In May 2001, CZM Hawaii was invited by the Hawaii County Civil Defense Agency to

participate in their roundtable discussion of multi-hazard mitigation and GIS capabilities. Since then, CZM Hawaii has actively participated as a member of Hawaii County's Hazard Technical Working Group in discussions and meetings to strategize the development of a multi-hazard mitigation plan. Hawaii County is presently in the process of gathering information for its risk and vulnerability assessment.

- City and County of Honolulu Risk and Vulnerability Assessment and Hazard Mitigation Plan. CZM Hawaii was also invited to partner with the City and County of Honolulu's Project Impact. Since June 2001, CZM Hawaii has begun to participate in Honolulu's Project Impact steering committee meetings. Through Project Impact, the City and County of Honolulu will develop a multi-hazard mitigation strategy and plan, and identify public-private partnerships to undertake mitigation efforts aimed at reducing Oahu's vulnerability to disasters.

2. *Ocean Resources Management Plan Implementation Projects:* The ORMP that was adopted by the Legislature in 1994 successfully synthesized management issues in ten (10) ocean and coastal sectors and suggested specific initiatives. Since its adoption, the ORMP has led to a vast improvement in the quality of debate and discussion about ocean and coastal issues. The ORMP will be revised and updated to provide a more strategic approach to ocean resource management that coordinates the management of ocean resources by government, private industry, the scientific community, and the public. Public education, through the support and development of educational materials and internet web design, as well as ongoing efforts to create new brochures and displays, remains a high priority for the CZM Hawaii Program. CZM Hawaii is proactively involved in related community events throughout the State of Hawaii to increase the public's awareness of the importance of ocean resources and the role of the ORMP in sustainable ocean resources use and management.

An important part of the revision process involves an Ocean Summit as well as pre- and post-summit workshops that will bring together the various ocean-related sectors of government, private industry, the scientific community, and the public. These events will generate community awareness and participation in the revised ORMP. Through the Ocean Summit and its related workshops, the goals and objectives of the ORMP will be amended, new priorities will be developed, and implementation and evaluation guidelines will be established to ensure a successful execution of the revised ORMP. The ORMP Implementation committee, comprised of public and private stakeholders, has been a pivotal force in organizing the Summit.

Four key elements that will be the focus of the Ocean Summit activities and ORMP update are:

- Facilitating integrated ocean and coastal management, including watershed management.
- Incorporating public input through citizen participation in pre-summit workshops, summit, and post-summit focus groups.

- Incorporating elements of existing projects and programs (local and from abroad) that have been successful.
- Developing strong partnership in order to successfully complete and implement the updated ORMP.

These key elements are integrated with CZM Hawaii's vision to partner with Hawaii's network of communities to promote a sustainable ocean and coastal environment by building upon our heritage and inspiring island stewardship. This project benefits the public by promoting a sustainable ocean and coastal environment through effective ocean resource management. The Ocean Summit and related workshops will provide a timely opportunity for the various sectors of the community to come together and develop appropriate tools to achieve a sustainable ocean and coast environment.

3. *Native Hawaiian Access Rights Project:* Phase III of the Native Hawaiian Access Rights Project has been extended due to contract delays. Phase III of the project will ask for statewide comments on SMA permit recommendations generated during the Phase II Kauai pilot study. Phase III meetings will be conducted with the four County Planning Departments, Hawaiian community practitioners, landowners, developers, the Office of Hawaiian Affairs, and the 1996 Office of Planning Public Access Shoreline Hawaii (PASH) Rights Study Group. Recommendations generated in Phase III will include legislation, thereby fulfilling the PASH decision mandate to consider gathering rights as part of the SMA permitting process. During this reporting period, summary reports for Phases I and II were printed and distributed to the public.

4. *Cumulative and Secondary Impacts:* Efforts for the year supported initiatives regarding the Implementation Plan for Polluted Runoff described under Section 6217 in this report. The direction for CSI funds will still support nonpoint source pollution but through an ahupua'a/watershed management approach. This concept was described in CZM Hawaii's recently completed 309 Assessment and Strategy.

The ahupua'a/watershed management approach will develop, implement, and institutionalize an integrated planning approach that enables CZM Hawaii to assess and manage CSI on the basis of the traditional Hawaiian ahupua'a concepts. The anticipated result of this program is to incorporate ahupua'a and watershed techniques into CZM Hawaii's enforceable policies as well as to propose beneficial legislative measures.

The concept of ahupua'a [management] has been the foundation of traditional Hawaiian land and resource management for over 1,500 years, and is still practiced today. The definition of an ahupua'a is a land division usually extending from the uplands to the sea and bounded by ridges or other natural geological features.

Though similar to the watershed management concept, the ahupua'a concept is more geographically inclusive, integrating cultural, human, and spiritual resources into a fully integrated package. The largest difference in scope between watershed planning and ahupua'a planning is that ahupua'a planning evolved to fit the social, cultural, and economic conditions of Hawaii's people. Using the ahupua'a concept, communities can begin to assess the health and

vulnerability of their surrounding environment, and formulate Best Management Practices for long-term sustainability.

In practice, ahupua'a management focuses on: (1) instilling appropriate values that allow people to make the right choices not only for themselves, but for society; (2) community-based efforts that involve ahupua'a tenants or people with localized knowledge in the decision-making process and who have a personal stake in their ahupua'a; (3) the creation of partnerships and the involvement of stakeholders that are united who can begin to examine contemporary government and legal structures in order to integrate ahupua'a principles; and (4) the perpetuation of this practice from generation to generation.

It is important to note that each ahupua'a eco-region differs physically, historically, socially, and politically. Thus, although there are universal principles that may provide a basis for a general ahupua'a framework, each ahupua'a and/or moku will need to assess their own histories, environmental and cultural resources, CSI issues, and social needs in order to develop an appropriate ahupua'a/watershed management strategy.

LOOKING AHEAD TO FY 01-02 . . . CZM Hawaii will continue to devote time and resources to assist the State and Counties in their efforts to develop hazard mitigation plans. The County of Maui will appoint a full-time hazard mitigation officer who will be responsible for the completion and adoption of the Maui Multi-Hazard Mitigation Strategy, as well as establish a hazard mitigation committee comprised of public and private stakeholders. CZM Hawaii will work in partnership with the Counties of Kauai, Hawaii, and the City and County of Honolulu to develop drafts of their multi-hazard mitigation strategies, and with the State to develop a draft lava flow mitigation plan. Outreach efforts to educate and inspire the community to prepare for disaster events will continue, as well as the development of new hazard-related outreach materials. Through these coordinated efforts, our communities will become safer and more disaster resilient.

During FY 01-02, CZM Hawaii will continue to devote staff time to coordinate State, County, industry, and community participation in the update and implementation of the ORMP. Members of government, private industry, and the public are already involved in the ORMP Subcommittee to plan the Ocean Summit scheduled for November 2002. These members have agreed to assist in coordinating involvement of the various sectors and user groups.

Additional services are needed to plan and execute the Ocean Summit and to draft the revised ORMP since CZM Hawaii does not have the in-house staff resources necessary to complete the project. As such, CZM Hawaii is currently negotiating with the UH's SSRI to provide the necessary services. SSRI was part of the technical team that developed the ORMP and also conducted a review of the ORMP in 1998. SSRI is thoroughly familiar with the issues and has extensive experience in organizing conferences and workshops. CZM Hawaii will also be hiring the UH Conference Center to assist in the logistics (i.e., registration, money collection, etc.) of the conference.

The first pre-summit workshop is scheduled for October 2001. The workshops will be spread out over a ten-month period, in order to increase awareness and build partnerships in the Ocean Summit, and to sustain momentum toward an integrated, coordinated ORMP. Pre-summit

workshops will include representatives from government, private industry, the scientific community, and the public. The results of the first workshop in October will be reported to the 2002 Legislature. The first workshop will be focused on strategies and tools for ocean resources management. Subsequent workshop themes will organize discussion on sector specific items under broad categories, so that there will be a variety of participants in the workshops focused on comprehensive planning approaches to the different sector-specific issues. Tentative themes for subsequent workshops are as follows:

- Ocean Industry: harbors, fisheries, aquaculture, energy, cruise ships, recreation, etc.
- Ocean Resources Use and Ecosystem Management: traditional approaches, access, pollution and water quality issues, non-native or invasive marine species, strategies for climate variability and change, coastal erosion, coral reef management, partnering with communities and industry, etc.
- Education: outreach, user-friendly policy guidelines, research, partnerships with community and industry, etc.

The Ocean Summit will be a three-day event held in November 2002. The objective of the Summit is to provide input on synthesis and prioritization of pre-summit workshop results. Successful projects/programs from Hawaii and abroad will also be included in Summit activities. Results of the Ocean Summit and previous focus groups will be used to update the ORMP during the post-summit workshops.

Phase III completion of the Native Hawaiian Access Rights project is targeted for completion in June 2002.

The CZM Hawaii Program will be initiating work with the Waianae community on West Oahu to develop a pilot project for an ahupua'a management framework. This project will include (1) identifying cultural, social, environmental, and economic information for Waianae that may be utilized in the development of their ahupua'a management framework; (2) identifying key issues of the community in regard to CSI; (3) designing educational materials and organizing outreach events to build support and buy-in; and (4) developing a model for management that will be shared with other communities statewide. CZM Hawaii will also be coordinating with the National Oceanic and Atmospheric Administration (NOAA) Coastal Services Center (CSC) and Pacific Services Center (PSC) to obtain additional resources to undertake an ecological characterization for the moku of Waianae and to undertake a pilot project to apply GIS and remote sensing technology for watershed management.

C. Section 310 Technical Assistance

Section 310 of the Federal CZM law covers technical assistance. These funds are used to support development and implementation of program changes under Section 309. During FY 00-01, the CZM Hawaii Program received Section 310 funds to support Clean Water Initiatives and coral reef management projects.

1. *Clean Water Initiative:* Three Clean Water Initiative projects were identified that would enhance CZM Hawaii's ability to address coastal nonpoint pollution issues. The first project concerns Enforceable Policies and Mechanisms for Roads, Highways, and Bridges. This project is still in the preparation state and is being carried over to the following year.

The second project is policy analysis and development to respond to the Coastal Zone Management Reauthorization Amendments of 1990 (CZARA) requirement that State enforcement authorities be available as enforceable back-up, and mechanisms for voluntary programs to control nonpoint pollution. A letter requesting a legal opinion on whether existing State back-up enforcement authorities can be used to control nonpoint pollution was submitted in December 2000 to the State Attorney General. No response has been received to date. However, the completion of the requested opinion is an essential step toward approval of Hawaii's coastal nonpoint control program. Determination of the scope of remaining work that CZM Hawaii and the Department of Health (DOH) must perform, cannot be done until the requested opinion is received. We have offered to use these funds for a special deputy attorney general contract to produce the requested opinion.

In July 2000, CZM Hawaii published *Hawaii's Implementation Plan for Polluted Runoff Control*. The *Implementation Plan* includes long and short-term goals and activities to control nonpoint source pollution, 15-year strategies, and 5-year implementation plans to prevent and reduce polluted runoff in the six land or water use sectors. Focus groups covering the sectors are a major element of the *Implementation Plan* activity.

Development and implementation changes needed to fulfill the *Implementation Plan* among CZM Hawaii's network will include a wide range of communication methods and meeting formats. These methods and formats must provide an effective framework for interaction among partners who are separated not only by the geography of islands, but also by differing experiences and values. In addition, although some partners may have technical expertise concerning a particular issue, other partners may be deeply interested and concerned but have little expertise. At times, a focus group, regardless of its level of expertise may need technical assistance with some particular problem.

The third project "Tools and Technical Assistance to Facilitate the Activities of Focus Groups" is designed to meet the needs mentioned in the above paragraph. State approvals to expend funds have been received and a Request for Proposals (RFP) will be issued in August 2001. This project will: (1) develop tools, which include communication methods and meeting formats, to facilitate the activities of focus groups and other forms of group interaction in the State's polluted runoff control program; (2) provide facilitation services in concert with CZM Hawaii staff and use the tools developed to carry out the FY 00-03 implementation actions in the *Implementation Plan*; and (3) provide technical assistance in the form of research along with the presentation of information as needed by focus groups and stakeholders.

2. *Coral Reef Initiative (CRI):* CZM Hawaii continues to support volunteer efforts under the umbrella of the CRI. CZM Hawaii continues to coordinate with the State's point of contact (POC) to the U.S. Coral Reef Task Force, currently the Department of Land and Natural

Resources (DLNR). CZM Hawaii met regularly with the State's POC to discuss coral reef legislation, monitoring, mapping, and management issues.

CZM Hawaii, in partnership with DLNR developed a work plan consisting of six projects for Hawaii from the *U.S. All Island Coral Reef Initiative Strategy*.

- Community-Based Management/Monitoring and Education Initiatives: CZM Hawaii is the lead agency assigned to this task. During this reporting period, in response to the RFP issued, three contracts were awarded to groups performing community-based coral reef monitoring projects on the islands of Hawaii, Kauai, Maui, and Oahu.
- Marine Tourism Use Assessment in Marine Protected Areas: DLNR is the lead agency assigned to this task. The purpose of the task is to conduct a use assessment survey of the use patterns and observed impacts at four of Hawaii's most important marine protected areas. The areas selected are: Pupukea, Oahu; Manele/Hulupoe, Lanai; Old Kona Airport, Hawaii; and Honolua Bay, Maui.
- Coral Reef Marketing Awareness Campaign/Social Marketing: DLNR is the lead agency assigned to this task. One of the products developed under this task was a brochure, "Reef Renewal: Hawaii's Unique Coral Spawning Events." The brochure was designed to help the curious understand and view Hawaiian coral spawning, and in the process gain a greater appreciation for those tiny animals that play such an important role in creating Hawaii's reefs.

- Discarded Fishing Nets/Marine Debris Removal Coordination: DLNR is the lead agency assigned to this task. Under this task, the University of Hawaii Sea Grant Extension Program (UHSGEP) and the University of Hawaii Geography Department seek to document the extent of the problem and begin to assess the extent of the problem of discarded fishing nets and marine debris in the main Hawaiian Islands. Publicity has been generated for a hotline which was established at



UHSGEP for the public to report sightings and a GIS-integrated database has been developed to track the debris.

- Day-Use Mooring Buoy Installations at Molokini Shoal Marine Protected Areas: DLNR is the lead agency assigned to this task. The purpose of the task was the installation of new technology day-use moorings to ensure long-term use, and ensure the safety of the commercial tour vessels that are permitted to operate at Molokini Shoal Marine Life Conservation District. Twenty-six (26) day-use moorings were installed and are operational.

- Operational and Travel Support: CZM Hawaii and DLNR are jointly responsible for the activities under this task. The purpose of this task is to upgrade coordination and communication in an effort to share information and experiences among the members of the U.S. Coral Reef Task Force. Under this task, staff from CZM Hawaii and DLNR traveled to workshops and conferences that assisted managers in coral resource management efforts.

FY 01-02 coral reef management funds have been appropriated to NOAA and the U.S. Department of Interior to support the conservation and management of coral reefs and associated fisheries. CZM Hawaii jointly coordinated with DLNR to prepare and submit a FY 01-02 work plan for \$400,000 coral reef Section 310 funds.

LOOKING AHEAD TO FY 01-02 . . . CZM Hawaii staff will continue to participate on the U.S. Coral Reef Task Force which will hold its next meeting in December 2001, and work with the State's POC on the *U.S. All Island Coral Reef Initiative Strategy* projects for Hawaii. The office is scheduled to receive the \$400,000 in coral reef Section 310 funds in October 2001 and will initiate the numerous coral reef management contracts.

D. Section 6217 Coastal Nonpoint Pollution Control Program

Section 6217 of the CZARA requires the coastal zone and water quality agencies of each state with a federally-approved CZM Program to develop and implement the CNPCP. NOAA and the Environmental Protection Agency (EPA), Federal agencies that administer Section 6217, conditionally approved Hawaii's program in July of 1998. The State has until June 30, 2003, to meet these conditions. The 1998 Annual Report discusses the State's concerns with these conditions. Among these concerns, the State continues to be troubled by the feasibility of implementing the federally-mandated management measures in an economically achievable manner.

During 00-01, CZM Hawaii and DOH's Polluted Runoff Control Program continued to coordinate the development of Hawaii's polluted runoff program to improve the quality of Hawaii's streams, estuaries, and coastal waters and meet the conditions placed on the program by NOAA and EPA. Publication of *Hawaii's Implementation Plan for Polluted Runoff Control* in July 2000 was a major step for the program. The *Implementation Plan* was described in the 2000 CZM Hawaii Annual Report. It includes long- and short-term goals and activities to control nonpoint source pollution, 15-year strategies, and 5-year implementation plans to prevent and reduce polluted runoff in the six land or water use sectors.

Besides submitting the request to the State Attorney General for a legal opinion regarding enforceable policies and mechanisms (see Clean Water Initiative Section), CZM Hawaii's polluted runoff staff worked to establish State approvals for a number of contract projects that will meet various conditions placed on Hawaii's CNPCP. These include:

- Justification of the Alternative Nutrient management measure;

- An agricultural Erosion & Sediment Control Study to justify the alternative management measure;
- A Statewide Watershed Protection Program to identify policies and management programs of all State, County, and Federal authorities (with Hawaii programs), and community agencies that provide preservation of areas critical to water quality within all watersheds of Hawaii, identify the gaps in protective coverage of those watersheds, and recommend appropriate actions the State should take to eliminate those gaps; and
- A Water Quality Data Sampling Directory that will create a database of sources of water quality data covering the period 1980-2000 and the geographic location of the main Hawaiian Islands; the results will be furnished in both electronic and print form.

Staff also participated in the Planning Committee for the Hawaii Association of Conservation Districts, "Water Quality 2000 Conference" held in December 2000, chairing the program subcommittee. In addition, they participated in a water quality subcommittee of MACZMAG to review and revise the State's water quality classifications and protected uses for inland waters, met with community watershed groups, made invited presentations to local conferences and University classes, and served as a resource to various agencies.

LOOKING AHEAD TO FY 01-02 . . . The CZM Program will pursue the following activities:

Staff will be working with vendors to complete the contract listed above.

Additionally, staff will work to obtain State approvals for four projects included in the FY 01-02 award with NOAA. One of these projects will provide matching grants to implement the State's CNPCP. This Coastal Non Point Implementation Program will operate under the following federal guidelines which indicate that the funds must:

1. be awarded to the State CZM Hawaii Program, which can make sub-awards;
2. be used to implement only the approved portions of the CNPCP; and
3. require a one-to-one non-federal match for all projects.

Projects will be solicited from State and County agencies, not-for-profit organizations, and the private sector. They will implement various management measures in the agricultural, urban, marinas, hydromodification, and wetland categories.

Staff will be meeting with representatives from NOAA and EPA in September 2001 to evaluate the current status of Hawaii's CNPCP. It is anticipated that this review will to some extent reduce the volume of work required to meet the conditions on the CNPCP by the June 30, 2003 deadline.

The DOH will be drafting rules to implement Chapter 342E, HRS, and CZM Hawaii staff will serve as resource persons for this process.

CZM Hawaii staff will continue to work with community groups and make presentations on Hawaii's polluted runoff control program as requested. They will also work with representatives of other agencies, the private sector, and the community to carry out the activities in *Hawaii's Implementation Plan for Polluted Runoff Control*.

E. Federal Consistency

The National CZM Act requires federal agencies to conduct their planning, management, development, and regulatory activities in a manner consistent with state CZM programs. State CZM lead agencies have the authority to review federal actions for consistency with their federally-approved CZM programs. In Hawaii, the authority to review federal activities throughout the State rests with the Office of Planning. The informational and procedural requirements for CZM federal consistency reviews are prescribed by federal regulations.

Because there is a sizable federal presence in Hawaii, CZM consistency is a valuable State management tool. Federal planning, regulatory, and construction activities have direct and significant effects on land and water uses throughout the State. Federal agencies also issue permits for a number of coastal activities and developments, and they control vast tracts of land. The range of federal activities reviewed under this review program is extensive and includes harbor projects, flood control projects, military facilities and training exercises, fisheries management plans and regulations, ocean waste disposal, and dredge and fill operations. In addition, projects funded by certain federal grant programs are reviewed for potential impacts to CZM resources.

Through the federal consistency program, CZM Hawaii facilitates cooperation among government agencies in reviewing applications for Federal, State and County permits. This results in a coordinated review benefiting both applicants and agencies. CZM Hawaii also participates on inter-agency committees to review specific federal projects and permits. For example, we assisted in expediting the permit process and advised State Department of Transportation (DOT) and the Federal Highway Administration on requirements to repair damage to bridges and roads on Hawaii, Maui, and Molokai, from the November 2000 flood.

CZM Hawaii continued its ongoing efforts to facilitate fishpond restoration and reuse. In March 2001, we participated in Project Loko I'a, the EPA's program to streamline and facilitate permit processing for fishpond restoration and reuse. Through our federal consistency program, we have been able to help fishpond restoration efforts by coordinating agencies in the CZM network.

The *Statewide Programmatic General Permit For Small-Scale Beach Nourishment* continued to be developed in partnership with DLNR, DOH, the U.S. Army Corps of Engineers, and the National Marine Fisheries Service (NMFS). This general permit will streamline and expedite the permitting process for small-scale beach nourishment and offers applicants a viable alternative to hard shoreline protection structures, such as seawalls, that can cause more shoreline erosion.

During the report period, 81 federal consistency reviews were conducted. They involved direct federal activities (59%), federal permits and licenses (32%), and federal financial assistance (9%).

The following federal consistency reviews provide examples of the diversity and geographic range of our reviews:

- Hawaii Longline Fishery Regulations to Reduce Impacts to Sea Turtles
- Hawaiian Black Pearl Aquaculture Farm, Keehi Lagoon, Oahu
- Mauna Lahilahi Beach Park Erosion Control and Beach Nourishment, Waianae, Oahu
- Kawainui Marsh Flood Warning System, Kailua, Oahu
- Revised Federal Regulations for CZM Federal Consistency, Statewide and Nationwide
- Emergency Repairs and Improvements to Bridge, Road and Drainage Structures on Hawaii, Maui, and Molokai, due to the November 2000 Flood
- Kihei Upcountry Maui Highway – Connecting the Upcountry Area of East Maui with the Coastal Kihei Area, Maui
- Ehime Maru Recovery, Oahu
- Kamaulapau Harbor Breakwater Repair, Lanai
- Beach Nourishment at Kanai A Nalu Condominium, Maalaea, Maui
- U.S. Navy Surveillance Towed Array Sensor System Low Frequency Active Sonar, in Waters Surrounding the State of Hawaii

Notices of CZM federal consistency reviews are published regularly in the Office of Environmental Quality Control (OEQC) *Environmental Notice* in the Coastal Zone News section. This provides the public an opportunity to review and comment on various federal actions.

LOOKING AHEAD TO FY 01-02 . . . The scope and volume of federal projects and actions that require reviews for consistency with the CZM objectives and policies are expected to remain about the same. CZM Hawaii plans to expand its role in establishing partnerships towards better coastal resource management through the federal consistency program. In addition, the CZM Hawaii Program will be coordinating with federal partners to hold a series of federal consistency workshops in June 2002.

F. Program and Financial Evaluation

Program Evaluation: The Federal Office of Ocean and Coastal Resources Management (OCRM) periodically evaluates state CZM programs to determine their federal approval status and hence, the privilege of administering the federal consistency review program and eligibility to receive federal CZM grants. The last evaluation by OCRM was in December 1997 and covered three years, from 1994-1997. The evaluation was briefly described in the 1999 CZM Annual Report to the Legislature. Our next evaluation is scheduled for November 2001.

During this period, as resources permitted, the CZM Hawaii Program continued to concentrate its efforts in responding to the program recommendations OCRM identified in December 1997. In May 1999, OCRM had serious questions as to whether the CZM Hawaii Program had the necessary staff capacity to meet all the requirements of the CZM Act and implement its approved program. Adequate funding and staffing resources were the most prominent issues questioned by OCRM. In December 1999, OCRM notified the CZM Hawaii Program that if the two vacant federally-funded planner positions remain unfilled, action to deobligate \$100,000 of Section 306 federal funds may be taken. The continued inability of the Program to hire staff necessary to meet the requirements of the CZMA could result in evaluation findings that will begin the decertification process of the CZM Hawaii Program. This could result in the loss of annual federal CZM financial support (approximately \$1 million per fiscal year) and federal consistency authority. Since that time, the CZM Program filled one of the positions in May 2000 and filled the second position in November 2000, thus addressing the staffing concerns expressed by OCRM.

Financial Evaluation: Under the Single Audit Act of 1984 (Public Law 98-502), a financial audit of the CZM grant program is conducted annually. The most recent audit indicates that the CZM Hawaii Program should continue to take appropriate steps to improve the timely submission of the required federal reports.

LOOKING AHEAD TO FY 01-02 . . . Although the CZM Hawaii Program is fully staffed, thus addressing OCRM's staffing concerns, it is anticipated that additional OCRM program issues may arise from the scheduled federal evaluation in November 2001. One of those program issues may be the State's continued inability to provide adequate State dollars to meet the federal matching requirements (See Section IA, CZM Work Plan).

II. STATE AND COUNTY COORDINATION

A. CZM Program Compliance

With the privilege of administering the federal consistency review program and eligibility to receive federal CZM grant funds, the State is obligated to assure that its Federally approved program is implemented consistently by the CZM Hawaii Program partners. This obligation is fulfilled through a compliance program that assures compliance by CZM partner agencies with CZM objectives and policies. CZM enforceable policies also include numerous State and County laws, rules, and regulations. CZM Hawaii monitors the actions undertaken by CZM partner agencies on various types of permit applications and implementation of CZM-related rules and regulations. Enforcing the CZM-related rules and regulations is the responsibility of the respective administering State and County agencies.

During the past year, CZM Hawaii has been developing a more proactive approach to assuring compliance by the CZM partner agencies rather than relying on monitoring alone. An emphasis has been placed on strengthening the partnership commitment among State and County agencies that implement CZM policies. This evokes a greater sense of shared responsibility by

each agency to comply with CZM objectives and policies. CZM County liaisons have an expanded role, involving frequent personal contact with each County. County meetings and periodic site visits are conducted to identify emerging issues and opportunities, verify compliance with permit conditions, and explore and assess potential violations. Through monitoring of CZM partner agencies, the compliance program also assures that issues are identified and addressed. In addition, a CZM hotline has been established and is advertised in the OEQC Bulletin. Rotating CZM Hawaii staff man the phones on a monthly basis to answer questions and to look into issues raised by the public.

With a constant goal of improving the CZM Hawaii Program, the compliance program also involves a continual assessment of the CZM statute, Chapter 205A, HRS, and its objectives and policies, which can result in legislative changes. Information acquired through the compliance program is shared with other agencies to help them with their CZM-related responsibilities and to coordinate overlapping agency activities. A summary assessment is also included in periodic performance reports that are filed with the Federal CZM administering agency.

Public inquiries and concerns that are called into the CZM office and corresponding actions taken by CZM are logged. Keeping a record of public concerns enables CZM Hawaii to monitor and assess issues. Dealing directly with the public provides CZM Hawaii the opportunity to clearly define CZM's compliance role to the public and to foster increased understanding.

LOOKING AHEAD TO FY 01-02 . . . Over the next year, the CZM compliance program will hold quarterly meetings with all the Counties to discuss CZM Hawaii Program implementation and compliance issues. The goal is to make these meetings a regularly scheduled event, quarterly, and to convene the meetings on a rotating basis in each of the Counties. Similar meetings are also envisioned for CZM Hawaii's State partners.

B. Performance Reports

Semi-annual performance reports are submitted to OCRM. The report describes the progress in implementing the workplan, Section 309 coastal enhancement grant projects, coastal nonpoint control program, federal consistency reviews, and CZM implementation in general. The report also covers the Counties' implementation of the SMA permit system and Shoreline Setback Variance (SSV) Program authorized in Parts II and III of Chapter 205A, HRS. The County narratives on coastal issues affecting their communities are also included in the performance reports. The following tables and narratives summarize the actions of the Counties and State permits during FY 00-01.

Table I. Special Management Area Permits by Counties FY 00-01

County	Permits Submitted	Approved with Conditions	Denied	Withdrawn	Pending
Hawaii	21	18**	0	0	3
Maui	184	146**	1	1	42
Oahu	95	74**	0	10	17
Kauai	42	36**	0	2	5
Totals	342	274**	1	13	67

**There may be differences between the “permits submitted” and “approved with conditions” data. The “approved with conditions” column could include decisions on permits submitted in the previous year and may not include all of the permits submitted in the present year.

Table II. Shoreline Setback Variances by Counties FY 00-01

County	Permits Submitted	Approved with Conditions	Denied	Withdrawn	Pending
Hawaii	1	1**	0	0	0
Maui	1	3**	0	0	2
Oahu	4	1**	0	0	3
Kauai	2	0**	0	2	0
Totals	8	5**	0	2	5

**There may be differences between the “permits submitted” and “approved with conditions” data. The “approved with conditions” column could include decisions on permits submitted in the previous year and may not include all of the permits submitted in the present year.

County of Hawaii

Monitoring: The County of Hawaii Planning Department monitors land uses and activities on land situated within its SMA and Shoreline Setback Area (SSA).

Permits and Violations: The County of Hawaii received a total of twenty-one (21) SMA permit applications (13 SMA major use permit applications and 8 SMA minor permit applications). Ten (10) SMA major use permits and eight (8) SMA minor permits were approved during the year. The County also reviewed and processed forty-five (45) SMA assessment applications and one hundred thirteen (113) SMA exemptions. Only one (1) SSV application was reviewed.

Enforcement of alleged violations within the SMA and SSA were actively stepped up during FY 00-01. However, since the Island of Hawaii has more than 300 miles of coastline, the County normally depends on the general public and other governmental agencies to provide information on possible violations. During the year, there were thirty-seven (37) complaints of alleged violations filed with the Planning Department. All of the complaints were investigated and resulted in twelve (12) Notice of Violations being sent to affected landowners. Fifteen (15) complaints resulted in “no violations” and ten (10) are still under investigation.

Initiatives: The Planning Department drafted its proposed Rule 18 relating to SMA to implement the CZM program and the Planning Commission’s recently amended Rule 9. Included in the draft were enforcement procedures within the SMA. The proposed rule provides procedures for the issuance of Notice of Violation and Order and provisions for the imposition of Administrative Fines. As a result of comments received at the public hearings, the rule is in the process of being revised. Hearings on the draft rule are proposed for the first half of FY 01-02.

Educational Outreach: The public hearing process and contested case hearings on specific SMA use permit applications are a method of educating the public about the purpose of the SMA and CZM program. The public is able to participate in these hearings on various applications. As a result, public participation is afforded to all interested individuals on any application before the Planning Commission. The Planning Department also provides public outreach by reporting CZM-related matters at the MACZMAG meetings. Major SMA use permit applications and CZM issues of statewide interest are presented for discussion at the MACZMAG meetings.

Staffing and Matching Funds: The County of Hawaii Planning Department has five (5) positions funded by the CZM Program. These include three (3) planners, a CZM inspector, and an account clerk. All of these positions are currently filled. One of the CZM-funded planners works at the West Hawaii office (Kona) of the Planning Department, while the remaining four (4) positions are in Hilo. To help match the federal grant, the County provides over \$110,000 in services-in-kind.

LOOKING AHEAD TO FY 01-02 . . . The County of Hawaii will continue to support and work closely with the lead agency (OP-CZM Hawaii Program) in drafting legislation on the State level which will assist the State and Counties in the implementation of the CZM program. In coordination with the lead agency, the County of Hawaii intends to continue its outreach program to educate the public and to encourage public participation in the CZM program. The County of Hawaii will participate in the statewide CZM related meetings and subcommittee meetings, and will continue to take a pro-active role in the enforcement of activities within the SMA and SSA.

In accordance with the requirements of Chapter 34 (Public Access), Hawaii County Code, the Planning Department is in the process of identifying by rule the location of public accesses to shoreline and mountain areas and existing shoreline, coastal, and public mountain trails. The rule will include maps depicting public-owned areas and the approximate location of existing public trails. Aerial photographs and GIS data will be used to identify these public trails.

The Planning Department will be doing a Coastal Resource Inventory data gathering project. The objective is to update and supplement previous inventories of key coastal resources (i.e., coral reefs, sandy beaches, protected embayments, surf sites, public accessways, DOH water quality classifications and water quality sampling sites, and officially designated marine areas) into a GIS database. The inventory will provide the capability for the following types of studies that the County may be interested in undertaking in the future: shoreline setback evaluation; public access needs; nonpoint source management; and acquisition priorities.

County of Maui

Monitoring: During FY 00-01, Maui County issued approvals for twenty-six (26) SMA major permits with conditions. To assure compliance with the conditions of the permits, the applicants were required to submit reports to describe how they were complying with the permit requirements.

The number of SMA major permit applications submitted during FY 00-01 was twenty-three (23) as compared to thirty-five (35) applications submitted during FY 99-00.

Permits and Violations: The County approved five hundred twenty-four (524) permits with conditions -- twenty-six (26) major permits; thirteen (13) amendments to SMA major permits; eighty-five (85) for minor permits; three hundred seventy-eight (378) exemptions; twenty-two (22) shoreline setback approvals; and three (3) SSVs. During this period, the Planning Department also investigated eighteen (18) complaints of violation of the CZM law.

The total numbers are greater for FY 01 because the Department has recorded each SMA exemption issued for actions within the SMA. Therefore, the number of exemptions increased dramatically from thirty-two (32) in FY 00 to three hundred seventy-eight (378) in FY 01.

The SMA permit was granted on the contested case hearing for the Kapua Village employee housing request in November 2000. A SSV and a SMA permit amendment was granted for the Kaanapali Beach Hotel Restaurant/Canoe Hale in March 2001, after the contested case hearing conducted in FY 00. This decision was appealed by the Intervenors to the Second Circuit Court.

Initiatives: The Planning Department completed revisions of the SMA Rules and Regulations of the Maui Planning Commission. The rule amendments allow the Department to charge additional fees for after-the-fact SMA permit applications as set forth in the County budget.

The Planning Department also amended the Shoreline Area Rules for the Molokai and Maui Planning Commissions, to allow for the charging of fees as set forth in the County budget.

A mitigative plan was submitted to the Council on how to deal with claims for repetitive losses from flooding.

During this period, Coastal Erosion Rate maps of the North Kaanapali and South Kaanapali areas were received from UH.

Educational Outreach: The Planning Department hired a planner in February 2001, who has a graduate background in coastal processes. The Planning Department hopes to use this resource person to provide in-house expertise to the public and to the staff.

Staff attended the American Beach Coalition National Conference at the Royal Lahaina Hotel in August 2000. Staff also attended the All Islands Coastal Program Managers Conference hosted by the Office of Planning in September 2000, at the Hilton Hawaiian Village Hotel.

Staff has been involved in the County's Project Impact Hazard Mitigation project. Staff attended and made presentations at the Mayor's Hazard Mitigation Conference in October 2000. Staff planner Francis Cerizo, as well as the County's GIS Coordinator Bill Medeiros, attended and made a presentation at the Project Impact Summit in Washington, D.C., in November 2000.

Staff and representatives from other departments also participated in the Section 309 workshop conducted on Maui in January 2001.

Staffing and Matching Funds: During FY 01, the CZM Program funded four (4) full-time positions: two (2) clerical positions, one (1) planner position, and one (1) inspector position. They were supported by the rest of the Planning Department staff in assessing permit applications and monitoring and enforcing permits for compliance. The County provided over \$160,000 in services-in-kind to help match the federal grant.

LOOKING AHEAD TO FY 01-02 . . . In FY 01-02, the Planning Department will strive to continue to improve the CZM programs in the County and adjust to changes in the CZM law (Act 169 of the 2001 Legislative Session).

The Planning Department will work on revisions to the shoreline area and SMA rules of the Maui, Lanai, and Molokai Planning Commissions to reflect legislative changes to the CZM law.

Efforts will be underway by Maui County to update the County's beach management guide as well as to work with UH to obtain historical shoreline erosion rates for the northern coastline of Maui, and for the remainder of West Maui.

The Planning Department will continue to educate the public to increase the visibility of the CZM-related issues. This effort will be helped greatly in the hiring of a planner who has a graduate background in coastal erosion processes and has work experience with Sea Grant.

Overall, the Planning Department will continue to implement the provisions for the CZM Program throughout the next fiscal year while pursuing special projects for the County of Maui.

City and County of Honolulu

Monitoring: The County ordered four (4) SMA or SSV permit violators to restore the area in violation to original condition.

Permits and Violations: The County received a total of twenty-eight (28) SMA major permits and sixty-seven (67) SMA minor permits. The County approved with conditions eleven (11) SMA major permits and sixty-three (63) SMA minor permits.

The County reported twenty-five (25) SMA permit and SSV violations. Three (3) of the violations were resolved and twenty-two (22) are pending.

Initiatives: The County continues ongoing efforts to increase compliance with coastal zone management laws and regulations and to improve their administration and enforcement by:

- Improving administration of land use regulations and control via improved internal coordination, including the tracking and monitoring of previous approvals, pending applications, outstanding violations, and site investigations, through the establishment and refinement of our comprehensive computer network system.
- Enabling professional engineers and inspectors to better implement the revised Rules Relating to Storm Drainage Standards and Soil Erosion Standards and Guidelines by providing improved training and continued education. Joint workshops with the County's Department of Environmental Services were held during summer 2000. In addition, applicants have been required to prepare water quality reports for all significant new developments to ensure that water quality standards are met.

Educational Outreach: The County facilitates public access to information on land use regulations, pending permit applications, and upcoming public hearings, by providing information through the County's Internet web site. Also, interactive map and land use information was made available via the deployment of a GIS Internet web site, which is available to the public free of charge.

Staffing and Matching Funds: CZM funded four (4) full-time planners. Two (2) planners were assigned permit review responsibilities and two were dedicated to monitoring and enforcement.

LOOKING AHEAD TO FY 01-02 . . . The County will continue to work with the coastal erosion subcommittee. Ongoing regulatory activities, including SMA permit processing and monitoring, investigation and enforcement of shoreline violations, and review of environmental documents will continue. The County will monitor the State Legislature for opportunities to participate in the discussion of coastal issues and to support legislative proposals to improve and/or streamline regulations related to coastal resources.

County of Kauai

Monitoring: A CZM planner and inspector are responsible for the bulk of the monitoring program on Kauai. The planner inspects and prepares staff reports for planned projects requiring a SMA permit. The planner will monitor the construction and completion of an approved SMA permit to insure project conformance. The inspector responds to complaints over activities that are not permitted in the SMA. The inspector may monitor the site, review permit approvals, compliance with permit conditions, and report adverse impacts to coastal resources and public access. Both planner and inspector monitor shoreline certifications and conditions at sensitive areas such seawalls, eroding shorelines, and beach accesses.

Permits and Violations: During this reporting period, Kauai approved seven (7) SMA major permits, twenty-nine (29) SMA minor permits, and two (2) setback variances were withdrawn. Twenty nine (29) new sites were inspected for alleged SMA and/or SSV violations, twenty-five (25) alleged violations were reported to the Department and eight (8) were resolved with seventeen (17) violations pending. The major permits included construction of retain structures, residential units, resort facility amenities and parking. The minor permits covered storage structures, landscaping, recreational facilities, film sets, workshop, cottage, retaining walls, fences, commercial activities, drainage improvements, and a sediment basin. The two (2) SSVs denied were for a retail business and wooden overlook. The planning staff investigates reports on structures built without a permit, grading and clearing, non-permitted uses, and non-compliance to permit conditions within the SMA and SSA.

Initiatives: The Kauai County Planning Department hosted the *Hawaii Congress of Planning Officials* annual meeting in August. The three-day event of field trips, lectures, discussion groups, and displays included discussions on coastal hazards, public access, and watershed management.

Planning staff attended community meetings to discuss coastal resource issues:

- Kauai District Na Ala Hele is a DLNR program. Program meetings discuss shoreline access and trails with government agency representatives, landowners, trail user groups, and members of the public.
- Hanalei Heritage River Program is a federal program involving the community and government. Community meetings facilitate discussion on a common vision and methods to achieve a vision for the future of Hanalei River.
- Army Corp of Engineers meetings in Hanalei regarding local wetland issues.
- MACZMAG meetings and subcommittee meetings regarding CZM issues (see Section III, Part A of the Annual Report for information on MACZMAG).
- Pacific Missile Range interagency meetings to discuss the military Integrated National Resource Management Plan. The Plan addressed natural resource conservation, rehabilitation, multi-purpose use, and public access.

- DLNR Division of Boating and Ocean Recreation (DOBOR) meetings by the Southern Ocean Recreation Management Area Advisory Committee and Northern Ocean Recreation Management Area Advisory Committee. The advisory committees advise the Board of Land and Natural Resources on issues involving coastal and inland waterways, agency management plans, administrative rules, commercial activities in State waters, resource protection, and other related issues. Separately, DOBOR hosted intergovernmental meetings to discuss commercial and recreational boating on Kauai rivers. The intergovernmental meetings discussed commercial motorized boat tours, guided manually propelled boat tours, and non-guided use by boat renters. DOBOR also met with County officials on plans for commercial boating rules along the Wailua River.
- Kauai County Project Impact meetings is a community project contracted through the Kauai County Civil Defense regarding multi-hazard planning. The discussions include risks and vulnerability from coastal hazards such as hurricanes and tsunamis.
- Consultant Contract meetings to revise the County SMA and Shoreline Setback Regulations because of changes to the State law. Consultant qualifications, methodology, conformance with State and Federal regulations, clarifying language, and eliminating redundant provisions were discussed at these meetings.

Educational Outreach: The Planning Department front counter staff provides the public with information on the CZM Hawaii Program and coastal resources. Brochures are available at the counter on topics such as the endangered humpback whale, Newell Shearwater bird, and CZM general information. The Kauai planning staff provides public shoreline access information at the counter, by phone or faxed. The planning staff also handed out information at the Kauai Annual Fair.

Planning Commission notices and other public meetings regarding projects plans and policies affecting the SMA and coastal resources are published in the newspaper, posted on bulleting boards, and made available at the counter. The public meetings are also televised on a local station as a part of community awareness. The local newspaper also provides in-depth coverage of coastal related issues.

Staffing and Matching Funds: The County of Kauai Planning Department has four (4) full-time positions funded by the CZM Program. The staff positions include a planner, account clerk, CZM inspector, and a CZM permit technician. The County contributes \$65,000 in matching funds in the form of in-kind services that include a portion of time by other staff members in the County Planning Department, administrative support services, office space, utilities, and vehicle maintenance.

LOOKING AHEAD TO FY 01-02 . . . The County of Kauai is expected to complete the revisions to the County SMA Rules and Regulations, and the County Shoreline Setback Rules mentioned above under initiatives.

The Planning Department will continue to meet with the Na Ala Hele State Trails Program, the Hanalei Heritage River Organization, CZM Statewide Advisory Erosion Subcommittee, and the DOBOR Northern and Southern Ocean Recreation Management Advisory Committees.

The County will continue to review, process, and monitor SMA permit applications. There are two (2) coastal trail and access project proposals involving the relocation of a current public beach access and a 2.4 mile long pedestrian and bicycle trail. The County reviewed an airport project improvement proposal that impacts existing cultural resources, and monitored a new hotel condominium construction.

The County will continue to monitor the proposed Wailua River Navigable Waters and State Park Restricted Area Plan.

Kauai County will continue to educate and encourage property owners to use beach nourishment and re-vegetation as preferred methods for shoreline protection when structures are threatened. In addition, the County will encourage proposed projects in areas historically subject to shoreline erosion to widen the setback area beyond what is allowed by regulation. Ongoing efforts to do hazard risk and vulnerability assessments and mitigation strategies, in coordination with CZM Hawaii and other partners, will continue.

State Permits

As lead agency, OP regularly monitors State agency actions to assure their compliance with the CZM objectives and policies. OP routinely reviews and comments on projects requiring Conservation District Use Applications (CDUA) administered by DLNR and Land Use District Boundary Amendments (LUDBA) administered by the Land Use Commission (LUC). In addition, the National Pollutant Discharge Elimination System (NPDES), Zone of Mixing (ZOM), and Clean Water Act Section 401 Water Quality Certifications administered by DOH are monitored to assure that CZM interests are routinely addressed.

DLNR: DLNR received sixty-nine (69) permit applications during this time period. DLNR approved twenty-nine (29) permits with conditions, four (4) were withdrawn, and eighteen (18) permits are pending.

LUC: LUC received two (2) LUDBA petitions during this period. LUC approved one (1) permit with conditions, and five (5) permits are pending.

DOH: DOH received twenty-eight (28) Section 401 permits and ninety-two (92) NPDES/ZOM permits. DOH approved with conditions twenty-one (21) Section 401 permits, and seven (7) permits are pending. DOH also approved ninety-five (95) NPDES/ZOM permits and eleven (11) permits are pending.

Table III. State Permits for FY 00-01

State Dept. Programs	Permits Submitted	Approved with Conditions	Denied	Withdrawn	Pending
Section 401	28	21**	0	0	7
NPDES/ZOM	92	95**	0	0	11
CDUA	69	29**	4	9	18
LUDBA	2	1**	0	0	5
Totals	191	146**	4	9	41

**There may be differences between the “permits submitted” and “approved with conditions” data. The “approved with conditions” column could include decisions on permits submitted in the previous year and may not include all of the permits submitted in the present year.

LOOKING AHEAD TO FY 01-02 . . . State agencies will continue to assure compliance with CZM objectives and policies through their respective compliance projects, and to coordinate and meet with the CZM Hawaii Program on a quarterly basis.

C. Program Changes

The CZM Hawaii Program is a management guide for the use, protection, and development of the land and water resources in the State’s coastal zone. Essentially, the Program is a shared management regime of State and County regulatory systems that present the State’s perspective on uses of the coastal zone.

From time to time, clarification and improvements are made to the CZM Hawaii Program. To assure that the changes are in keeping with the State’s CZM law and the National CZM objectives and policies, Federal regulations require the changes to be submitted for Federal review and concurrence before they are officially incorporated into the State’s program. During this period, CZM staff has worked on researching and selecting various HRS, Hawaii Administrative Rules (HAR), and County Administrative Rules for inclusion in the CZM Hawaii Program.

LOOKING AHEAD TO FY 01-02 . . . The CZM staff plans on submitting the proposed HRS, HAR and County Administrative Rules for inclusion in the CZM Hawaii Program. The OCRM will determine the significance of these changes and decide whether they will be incorporated into the State’s approved CZM Program.

III. PUBLIC PARTICIPATION AND EDUCATION

A. Marine and Coastal Zone Management Advisory Group (MACZMAG)

The MACZMAG was established by statute in 1996 as an advisory body to the CZM Program. The MACZMAG provides guidance on management planning and coordination, and facilitation of the functions of the program. The group is tasked to facilitate implementation of an integrated and comprehensive management system for marine and coastal resources, consistent with the objectives and policies established in Chapter 205A, HRS. The MACZMAG is composed of ten (10) State officials, four (4) County officials and six (6) non-governmental members. The non-governmental members are responsible for the preparation of an annual report to the Governor and Legislature.

The group met four times in FY 00-01 to discuss a range of issues including: MACZMAG reorganization, amendments to the CZM law, Chapter 205A, HRS, Section 309 Enhancement Area Grant Assessment and Strategy, CZM Annual Report, the MACZMAG Non-Government Members Annual Report, updating the ORMP and CZM Hawaii's federal award application for FY 01-02.

In early 2000, the CZM Hawaii Program began its statewide recruitment process to fill the vacant non-governmental positions and in July 2000, the Governor appointed four (4) new non-government representatives to MACZMAG. At the September 2000 MACZMAG meeting, the formation of a Non-Government Members Subcommittee was approved, providing a more effective forum on MACZMAG for citizen/community interests given its current, government-heavy composition of fourteen (14) agency representatives. The subcommittee planned to formalize relationships with community groups and community leaders, and concentrate on public outreach for 2001, and formulated several action items to advance a public outreach program between government agencies and the public.

As required under Chapter 205A, HRS, the non-government members prepared and submitted their annual report to the 2001 Legislature by affirming their support in principal of the recommendations contained in the Annual Report to the Twentieth Legislature, 2000 Regular Session, prepared by the Non-Government Members of MACZMAG (December 1999). The 2000 Annual Report recommended that the Legislature:

- Provide matching funds sufficient to ensure the CZM Hawaii Program's continued existence and improve its resource capability;
- Create an Office of Marine and Coastal Affairs to house the CZM Hawaii Program, as well as to consolidate coastal and shoreline responsibilities and functions presently diffused among many State and County agencies. The Office would facilitate policy integration, operational coordination, and uniform planning and management of Hawaii's unique coastal and marine resources;
- Enhance the capability of the CZM Hawaii Program to provide technical expertise to aid in coastal planning and natural resources valuation, encourage coastal research to

improve the data base available to decision makers, and consolidate existing information into one office;

- Develop a 2020 Hawaii Oceans Strategic Initiative to identify key initiatives for management and use of coastal and ocean resources in the 21st century; and
- Integrate the management and operation of the State designated small boat harbors within DOT's Harbors Division.

During FY 00-01, the MACZMAG Subcommittees (Coastal Erosion, ORMP Implementation, Water Quality, and Non-Government Members) were very active and the members endorsed several subcommittees' investigative subcommittees to facilitate the research efforts of these MACZMAG subcommittees. MACZMAG endorsed ORMP Implementation Subcommittee's investigative subcommittees to (1) access the feasibility of hosting an Ocean Summit and (2) formulate recommendations for improving the State's small boat harbors and launching ramps. MACZMAG also endorsed Coastal Erosion Subcommittee's investigative subcommittee for data collection/historical variability of shorelines.

The Coastal Erosion Subcommittee provided technical assistance to the contractor developing a coastal erosion guidebook for the DLNR, Coastal Lands Program and continued to investigate beach restoration plans and efforts being conducted by the Army Corps of Engineers and DLNR for Waikiki, Oahu, and Kihei, Maui. The Coastal Erosion Subcommittee also continued to investigate methods and alternatives for obtaining additional data of Hawaii's shorelines and worked on supporting a statewide shoreline historic variability study. The Coastal Erosion Subcommittee presented and received MACZMAG support for its recommendations on the following projects:

- MACZMAG supports the general concept of beach restoration efforts and coastal studies in Waikiki, with an emphasis on beach protection, without endorsing specific projects;
- MACZMAG supports the subcommittee extending an invitation to NOAA and further exploration of details and continued reporting back to MACZMAG as to the status of hosting the 2003 Coastal Zone Conference (CZ 03); and
- MACZMAG offers general support of pursuing federal funds for additional data collection for coastal erosion studies and projects.

The Coastal Erosion Subcommittee also presented its recommendations to the group on the following projects to be included in the CZM annual work plan: beach erosion control guidebook, Waikiki Beach economic analysis, and historical variability of shoreline.

The ORMP Subcommittee, through the work of its investigative subcommittee provided expertise in developing strategies to facilitate revision and implementation of the ORMP. Pre-conference planning activities were initiated for the proposed Ocean Summit. The purpose of the Ocean Summit will be to raise awareness of ocean resources management, build

constituency, and to obtain commitment from public/private agencies and community organizations to implement the ORMP. Based on other proposed conferences and scheduled events for 2001, a tentative conference date would be in November 2002. Information collected and analyzed from the coordinated ORMP/Section 309 Assessment and Strategy will provide useful information with respect to the community's perspective and priorities for the ORMP, which in turn can then be used to develop the overall program for the conference. CZM Hawaii expects the conference to revitalize the public's awareness and involvement with respect to ORMP issues, concerns, and opportunities that will result in follow-up work group meetings aimed at updating the ORMP, legislative action, and formulated program changes.

The Water Quality Subcommittee continued to work with DOH in reviewing the water classification system for streams and coastal waters of Hawaii. Water Quality Subcommittee meetings involved technical, lay, and community members in discussions on proposed revisions to several of the State's water quality standards. Drafts resulting from these discussions were available on the Internet for public review and comment, and the Subcommittee continues to seek comments/feedback on the proposed stream reclassification via their interactive website at www.geocities.com/hawaiiipo.

During FY 00-01, MACZMAG continued to support OP legislation amending Chapter 205A, HRS, which was included in the Administration's packet for 2001. The Non-Government Members Subcommittee submitted testimony in support of the bill and in May 2001, the Governor of Hawaii signed the bill into law (Act 169).

Act 169 clarifies certain sections of the CZM law and restructures the MACZMAG into an entity composed entirely of non-government members. The purpose of this restructuring was to make this advisory body more representative of the public interest as well as a more effective partner to advocate for the appropriate management of Hawaii's coastal resources. Preliminary discussion on the transition and implementation of the new all citizens advisory group was held at the May 2001 meeting, the last official MACZMAG meeting. CZM Hawaii staff presented a schedule for the advertisement and recruitment for the new twelve-member group, with plans of holding the first meeting of the new citizen advisory group in late 2001. The six (6) existing non-government members were invited to continue their service as members of the new citizens advisory group.

1. *Coastal Erosion Subcommittee:*

CZM Hawaii staff continues to provide administrative support for the MACZMAG Subcommittee on Coastal Erosion. This Committee met six (6) times during this period. The Committee continues to provide technical assistance to the development of a coastal erosion guidebook. The guidebook is the result of one of the Hawaii Coastal Erosion Management Plan recommendations for the creation of a technical guidance manual. The manual is intended for use by all coastal stakeholders including decision makers and non-government organizations to improve our system of erosion and coastal hazard management.

The Committee also continues to examine beach restoration plans and efforts being conducted by the Army Corps of Engineers and DLNR for Waikiki, Oahu, and Kihei, Maui.

2. *ORMP Implementation Subcommittee:*

CZM Hawaii staff continues to provide administrative support for the Subcommittee on ORMP Implementation. The Committee met on 11/3/01 and 12/1/01 during this period to discuss the need for an updated ORMP that would include implementation and evaluation strategies. Committee members decided that the ORMP update and revision process should involve the holding of an Ocean Summit as well as pre- and post-summit workshops to encourage participation by ocean-related sectors of government, private industry, scientific community, and the public. An Ocean Summit Investigative Subcommittee (OSIS) was formed and adopted by MACZMAG on 12/1/01 to plan the Ocean Summit and other summit activities with the intent of updating the ORMP. The OSIS met four times (1/26/01, 2/16/01, 3/15/01, and 4/26/01) during this period to discuss utilizing the Ocean Summit to: (a) facilitate integrated ocean and coastal management, including watershed and management; (b) incorporate public input through citizen participation in pre-summit workshops, summit, and post-summit focus groups; (c) incorporate elements of existing projects and programs (local and from abroad) that have been successful; and (d) develop strong partnership in order to successfully complete and implement the updated ORMP.

3. *Water Quality Subcommittee:*

The group staffed by DOH met to discuss water quality issues. Subcommittee members requested a formal committee arrangement be established with DOH. The Water Quality Subcommittee became the Water Quality Standards Technical Advisory Committee under DOH. The group drafted rules which are currently being finalized for public hearing.

LOOKING AHEAD TO FY 01-02 . . . CZM Hawaii will continue to work with the newly reorganized citizens advisory group to improve ocean and coastal resources management throughout the State. The first meeting for the citizens advisory group, once the new appointments are official, is scheduled for December 2001. Immediate actions to be taken by this new citizens advisory group will be election of a chair and vice-chair, establishment of committees, and deciding upon a meeting schedule, to include dates and locations (neighbor islands as well as Oahu), and to determine the purpose and mission.

The Coastal Erosion Subcommittee will continue to investigate methods and alternatives for obtaining additional data of Hawaii's shorelines. To date, the Committee is supporting the need to find a statewide shoreline historic variability study. Due to the considerable expense and extensive resources needed, this project will require coordination between State, County, and Federal agencies, and possibly require new legislation to obtain necessary resources.

The ORMP Subcommittee will continue to provide expertise in developing strategies to facilitate revision and implementation of the ORMP and planning of a proposed Ocean Summit.

The Water Quality Subcommittee will continue working with DOH in reviewing the water classification system for streams and coastal waters of Hawaii by assisting with a public outreach and participation strategy.

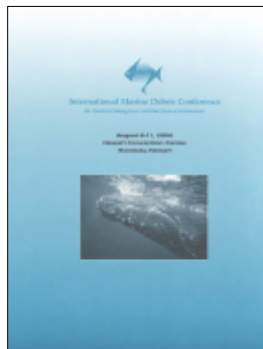
CZM Hawaii is currently negotiating a contract with UH to plan the format and logistics of the Ocean Summit activities. The pre-summit activities will commence in October 2001 and will continue until September 2002. The Ocean Summit is planned for November 2002.

B. Get the Drift and Bag It

Since 1984, CZM Hawaii and UH Sea Grant have coordinated “Get the Drift and Bag It!”, Hawaii’s contribution to the International Coastal Cleanup sponsored by The Ocean Conservancy (formerly the Center for Marine Conservation). We were fortunate to have Atlantis Adventures as a sponsor once again, offering discounts at Atlantis attractions to volunteers at the event. During the cleanup, volunteers are asked to collect valuable data on the amount and type of trash collected. The data is used to effect positive change on all levels, from the individual to the international, to reduce marine debris and enhance marine conservation. The statewide cleanup, “Get the Drift and Bag It!” 2000 yielded an estimated 35,000 pounds of debris collected from our shorelines, underwater, streams and one bicycle path, all collected by 3,000 volunteers statewide.

LOOKING AHEAD TO FY 01-02 . . . “Get the Drift and Bag It!” 2001 is scheduled for Saturday, September 15 statewide. We are looking forward to the production of a poster for the 2001 cleanup. The posters will be distributed to our coordinators and can be used as a tool to stimulate interest in the cleanup within the local communities.

C. International Conference on Derelict Fishing Gear, Vessels and Operational Waste: Sources, Impacts, Mitigation, and Prevention



CZM Hawaii staff were active in the planning and implementation of the conference which was held on August 6-11, 2000 at the Hawaii Convention Center. The conference hosted a variety of participants from around the world, representing the scientific community, industry professionals, government agency representatives, and concerned members of the public. All participants worked together to develop thirty-one priority recommendations which can be found at the following URL: <http://www.hihwnms.nos.noaa.gov>


LOOKING AHEAD TO FY 01-02 . . . The conference proceedings will be developed and distributed to the conference participants.

D. CZM Public Outreach

1. *Community Events:*

Public outreach is an ongoing activity that has been identified as a priority for the program. As such, CZM Hawaii staff have been active participants in many organizations, events and conferences in Hawaii and abroad, educating our audiences about the role CZM

Hawaii plays in their lives. What follows is a list of just some of the valuable events and organizations CZM Hawaii has partnered with during this fiscal year:

- Coastal Zone Canada 2000: Lessons Learned and the Paths Ahead, Saint John, New Brunswick, Canada. A special workshop, sponsored by CZM Hawaii was held at the New Brunswick Museum Theater entitled, “A Mau A Mau” (Forever and Ever) which explored traditional Hawaiian beliefs, values, and principles as conveyed through mo’olelo (storytelling), oli (chant), and hula kahiko (ancient dance). This workshop was led by Kumu John Ka’imikaua, a native Hawaiian practitioner, along with four members of his halau (school). Together, they presented traditional ahupua’a/watershed practices toward developing sustainable communities that could be applied to contemporary society.
- 
- The Great Keiki & Teen Fest, Honolulu. The event, attended by 20,000 people over a two-day period, allowed CZM Hawaii an excellent opportunity to educate the general public about coastal resource management issues. CZM Hawaii helped to sponsor the event by printing the event’s activity book and “Creatures of the Sea” book covers.
 - Molokai Earth Day, Kaunakakai, Molokai. The theme for Molokai’s 2001 Earth Day, sponsored by The Nature Conservancy was, “Ka ’Aha Hipu’u I Ka Mole” (It is the braided cords that collectively build a strong foundation). For weeks prior to the event, school children were taught environmental stewardship and the qualities that make a good global citizen. CZM Hawaii staff taught Molokai school children about the prevalence and dangers of marine debris in our Hawaiian waters.
 - Ready, Set, Safe Fair, Kaahumanu Shopping Center, Maui. At the Ready, Set, Safe Fair presented by the Maui County Project Impact, CZM Hawaii presented a video on coastal erosion in Hawaii and shared disaster awareness information with the Maui community. Several hundred people visited the display booths and the event was very successful in raising public awareness regarding Maui’s potential disasters and the preparation needed to deal with them.
 - Family Ocean Fair, Kilauea Point, Kauai. The Humpback Whale National Marine Sanctuary sponsored the annual Family Ocean Fair at the Kilauea Point Lighthouse. CZM Hawaii staff took the marine debris display to Kauai to stimulate awareness amongst residents and visitors alike about the issue of marine debris and the scientific reasons behind why Hawaii is the focal point in the Pacific, for the accumulation of derelict fishing gear and other marine debris.
 - CZM Hawaii participated in HOST, the Hawaii Ocean Safety Team, an organization that promotes and enhances the safe and pollution free use of Hawaii’s waters through pro-active prevention. HOST provides an open forum for government and industry to identify problems and propose solutions to today’s maritime issues.

During this fiscal year, CZM Hawaii has worked to develop educational outreach materials:

- The poster, “Protect the Hawaiian Monk Seal” was reprinted and developed in partnership with NMFS. The poster is an educational tool, enjoining observers of Hawaiian Monk Seals to “let sleeping seals lie”, and gives contact information for the monk seal hotline as well as general information about the seal.
- CZM Hawaii luggage tags were developed using our new logo. The luggage tags are a promotional item, selected to appeal to both children and adults.
- The Marine Debris Display was developed in conjunction with the State of Hawaii DLNR Humpback Whale National Marine Sanctuary, specifically for display at the International Conference on Derelict Fishing Gear, Vessels and Operational Waste, and has been used many times since. The display is educational, explaining the reasons why Hawaii seems to collect marine debris upon our shores. The display also highlights what the State of Hawaii is currently doing about the problem of marine debris.
- CZM Hawaii provided funds for the duplication of Ohia Productions Inc. video, “Under the Hawaiian Sky”. Ohia Productions is an educational non-profit organization founded to provide creative, educational and inspiring theatrical experiences to Hawaii’s children and families. They seek to develop creativity and self-expression in Hawaii’s school children while promoting cultural and environmental awareness and education. “Under the Hawaiian Sky” allows the audience to explore the many ecological zones and habitats of Hawaii, journeying from high atop an alpine desert, traveling down to the dryland forest to meet the many unique plants and creatures that live there, and discover why Hawaii is one of the most special places on Earth. The video was distributed to public schools and libraries across the State of Hawaii.

2. *Web Page and Newsletter:*

CZM Hawaii has also been working with a design consultant to produce our display, brochure, newsletter, and to give a face lift to our web page, giving a unified look and flow of information to all of our materials and featuring the concept of management. The web page is in the final stages of design and will provide invaluable information about our Program and our partners. Interested parties will be able to access the web page at the following URL: www.czmhawaii.com



LOOKING AHEAD TO FY 01-02 . . . CZM Hawaii is looking forward to finalizing production of our brochure, display, newsletter and web page. We also look forward to participating in the outreach events, conferences and organizations that allow CZM Hawaii to accomplish our mission to promote a sustainable environment and inspire island stewardship.

The Program will also be focusing on the development of a comprehensive outreach strategy for the next three years and will be seeking approvals to establish a CZM Hawaii outreach position.

IV. CZM ADMINISTRATION

A. State SMA and Shoreline Area Approvals

OP is the administering authority for the SMA and shoreline area within Community Development Districts. Presently, two Community Development Districts have been designated: Kakaako within urban Honolulu, and Hamakua on the Island of Hawaii. CZM Hawaii is responsible for reviewing requests for developments within the SMA and shoreline area in these districts.

During this reporting period, we received two requests for SMA approvals in the Hamakua Community Development District. One request was to replace an existing deteriorated copper telecommunications line between Honomu and Paauilo with a fiber optic cable. The second request was for construction of a single-family dwelling. Both proposals were determined to be exempt from SMA approval requirements. One notice of violation was issued for unauthorized grading and grubbing in Honokaa. No applications were received for the Kakaako Community Development District.

Please refer to the Legislative Section of this Annual Report for proposed permit legislation.

LOOKING AHEAD TO FY 01-02 . . . OP will continue to process SMA approvals for the Kakaako Community Development District, and will request that the 2002 Legislature consider the bill to change the SMA approval requirements in Community Development Districts.

B. Grant Application

During FY 00-01, the following contracts were issued:
(contracts are comprised of contractor and in-house efforts)

1. County of Hawaii	\$328,551
2. County of Maui	\$297,435
3. County of Kauai	\$261,089
4. City and County of Honolulu	\$331,342
5. Public Access: Native Hawaiian Access Rights (Phase III)	\$ 25,100
6. Coral Reef Management Contracts:	
Department of Land and Natural Resources	\$159,911
Oceanwide Science Institute	\$ 17,273
Project S.E.A. – Link	\$ 21,300
University of Hawaii, Sea Grant	\$ 21,427

Contracts still to be issued with FY 00-01 funds:

1. Ocean Resources: Ocean Resources Management Plan	\$ 70,000
2. Coastal Hazards: Shoreline Hazard Mitigation Strategies	\$ 26,000
3. Clean Water Initiative: High Priority Actions in Hawaii's CNPCP	\$ 41,000
4. Facilitate the Implementation of Hawaii's CNPCP	\$ 14,000

LOOKING AHEAD TO FY 01-02 . . . The CZM Hawaii Program is reprogramming unspent funds from the previous grant period for approved projects and contracts. The CZM Hawaii Program workplan for FY 01-02 will include contracts for the following:

1. County of Hawaii	\$351,060
2. County of Maui	\$499,833
3. County of Kauai	\$284,312
4. City and County of Honolulu	\$321,614
5. Coastal Hazards	\$ 35,500
6. Ocean Resources: Ocean Resources Management Plan	\$ 35,500
7. Cumulative and Secondary Impacts	\$ 36,000
8. Clean Water Initiative: High Priority Conditions Placed on Hawaii's CNPCP	\$ 41,000
9. Facilitate the Implementation of CNPCP	\$280,000
10. Smart Growth Initiative	\$ 50,000
11. Environmental Impact Assessment Process and Outreach Activities	\$ 55,000
12. Alien Aquatic Organism Prevention Program	\$ 31,091
13. GIS for Open Ocean Aquaculture and Related Applications	\$ 69,161
14. Coral Reef Management Contracts:	
Department of Land and Natural Resources	\$253,000
Community-Based Management/Monitoring & Educational Initiatives	\$100,000

C. Staffing

As noted under the Program and Financial Evaluation section of this report, the CZM Hawaii Program was fully staffed during FY 00-01. In FY 00-01, the CZM Program had a total of eleven (11) staff positions. Only two (2) staff positions are permanent, State-funded civil service positions, four (4) staff positions are permanent, Federally-funded civil service positions, and four (4) positions are Federally-funded temporary positions. An additional temporary position is funded under Section 319 of the Federal Clean Water Act through a Memorandum of Agreement with DOH, that has been extended to March 2001.

Nine of the CZM positions were funded under Section 306 and one-half of a staff position funded under Section 309. One-half of a staff position and the balance of the temporary position were funded under Section 6217 from extended grants from previous fiscal years.

LOOKING AHEAD TO FY 01-02 . . . The CZM Hawaii Program anticipates maintaining its ten CZM-funded positions and one DOH-funded position during FY 01-02. However, due to declining State funding and a greater allocation of resources to the Counties, the distribution of funding for staff may shift. Positions may be partially funded under Section 309, Section 6217 and under the extended grants from previous fiscal years.

D. Special Projects

The CZM Hawaii Program supported inter-agency and Pacific regional cooperation that resulted in several special projects. This year, several opportunities emerged including hosting an All Island Pacific Regional Meeting, aquaculture grant and permit review, a cruise ship forum, establishment of a NOAA Pacific Service Center, and a Coastal Service Geographic Information Specialist position.

1. *CZM Hawaii Program, State of Hawaii, All Islands Coastal Management Program Managers' Meeting, September 11-15, 2000, Honolulu, Hawaii*

Attendance at the All Island Coastal Management Program Managers' Meeting included representatives from American Samoa, the Commonwealth of the Northern Marianas Islands (CNMI), Guam, Virgin Islands, Hawaii, and Oregon, as well as representatives from NOAA CSC, National Ocean Service, and OCRM.

The regional meeting consisted of four working sessions:

- | | |
|--------------|--|
| Session I: | Development of an action plan to strengthen Federal/State partnerships and technical assistance |
| Session II: | Post-hurricane relief strategies and approaches to resource evaluation and economics |
| Session III: | Develop 2001 coral reef management action plan |
| Session IV: | Building political and constituent support for coastal management programs and Pacific Vision 2000 |

From these working sessions, recommendations and action items were developed. In addition to these sessions, two training sessions were held including (1) Managing Multiple Perspectives - Coastal Management for Practitioners and (2) Information Technology for Coastal Managers. Lastly, a GIS for Pacific Islands Project was conducted to build GIS and related technologies capacity in CZM programs for Hawaii, American Samoa, CNMI and Guam.

LOOKING AHEAD TO FY 01-02 . . . The next All Island Coastal Management Program Managers' Meeting is being scheduled for June 2002 in Guam.

2. *National Marine Aquaculture Initiative:*

Hawaii has one of the highest per capita consumption levels for seafood in the Country, and a large portion of this demand is met by imports. This results in a negative balance of trade. Marine aquaculture has been suggested as a solution to increase the declining fisheries stock in Hawaii. As such, the CZM Hawaii Program, in conjunction with the Hawaii Statewide GIS Program, UHSGEP, and the Hawaii Department of Agriculture (DOA) has been involved in a multi-year project, beginning in September 2000, to use existing and new GIS data on offshore waters of Hawaii to evaluate the feasibility of an open ocean aquaculture industry. Data layers being gathered for this project include bathymetry, current, substrate, State and Federal boundaries, essential fisheries, harbors, military areas, recreational areas, coral reefs, vessel routes and sanctuaries. In addition, as part of this study, concurrent State and Federal policies and regulatory processes will be examined to identify any inconsistencies that may exist, which could hinder aquaculture project development and siting of open ocean cages. The expected result of this project is to be able to delineate suitable offshore aquaculture sites within the main eight Hawaiian Islands, which could be developed as marine aquaculture parks by utilizing GIS and by reviewing applicable State and Federal regulations.

LOOKING AHEAD TO FY 01-02 . . . CZM Hawaii will continue to work with DOA on the open ocean aquaculture project.

3. *Hawaiian Fishpond Restoration and Reuse:*

CZM Hawaii continued its ongoing efforts to facilitate fishpond restoration and reuse. In March 2001, we participated in Project Loko I'a, the EPA program to streamline and facilitate permit processing for fishpond restoration and reuse. Through our federal consistency program, we have been able to help fishpond restoration efforts by coordinating agencies in the CZM network.

LOOKING AHEAD TO FY 01-02 . . . CZM Hawaii will partner with State and Federal agencies to streamline the permitting process for fishponds.

4. *Cruise Ship Forum:*

In response to a growing cruise ship industry in Hawaii, CZM Hawaii is facilitating a series of meetings amongst government agencies, the industry, environmental organizations, Native Hawaiian organizations, and members of the general public to address concerns about the cruise ship industry in our State. Meeting participants will examine actions taken by other states to address issues pertaining to the cruise ship industry, particularly the States of Alaska, California, and Florida, in order to determine if a course of action is necessary and if so, what course of action would be best for Hawaii. In addition, CZM Hawaii has been asked to provide input and participate in national legislation being proposed.

LOOKING AHEAD TO FY 01-02 . . . A task force will be formalized by CZM Hawaii to continue discussions regarding cruise ship impacts. Recommendations will be forwarded by this task force to the cruise ship industry for further discussion and to determine the most

effective means to protect and preserve Hawaii's environment (i.e., legislation, MOU, or a combination of both).

5. NOAA Pacific Services Center and GIS:

NOAA CSC has recently established a field office called PSC in Honolulu and has launched a *Pacific Islands Assistantship Program*. The multi-year Pacific region initiative focuses on capacity building for the Pacific coastal zone management agencies approved under the CZMA of 1972 (16 U.S.C. §§ 1451-1464).

LOOKING AHEAD TO FY 01-02 . . . The Assistantship Program, which will begin in September of 2001, will create four on-site, two-year technical assistantship positions to serve the Territories of American Samoa and Guam, CNMI, and the State of Hawaii. The assistant will be on-site in Hawaii beginning in October 2001 and will work under the direction of the Director of OP, and CZM and GIS Program Managers, to assist in the maintenance of data, applications, and outreach materials to support Hawaii coastal and marine resources management over the next 2 years. In addition, CZM Hawaii has also begun to discuss other potential projects that can be collaboratively coordinated with PSC.

V. LEGISLATIVE PROPOSALS

Legislation affecting the CZM objectives and policies included a bill that became Act 169; a bill to allow the Counties to administer permits and SSVs in community development districts when no community development plan is in effect; and a bill to exempt airport construction and improvements from County SMA permits. The CZM Hawaii Program testified in favor of the first two bills.

Act 169, SLH 2001 clarifies the lead agency responsibility to maintain a public advisory body to advise the Program. The Act replaces the previous MACZMAG with an all citizens advisory group and defines the group's charge. In addition, the Act makes other changes to Chapter 205A that clarify that the lead agency is responsible for review of federal programs, permits, licenses, and development proposals, clarify exempt activities under, "development" increase the cost threshold for development permits, require publication of notice of SMA minor permits, and increase the penalties for violating Parts II and III.

A bill was submitted to the 2001 Legislature to correct a requirement for SMA approval in community development districts. The State CZM law, Section 205A-26(2)(C), HRS, requires that, "no development shall be approved unless the authority has first found that the development is consistent with the County general plan and zoning." In community development districts, the equivalent to a County general plan and zoning is the community development plan, which serves as a basis for decision making within the district and actually supersedes the County general plan and zoning. However, in community development districts where the required community development plan has not been developed and approved, there is no basis for granting SMA approvals.

This is currently the situation in the Hamakua Community Development District where the community development plan has not been developed and approved. The proposed amendment would allow the Counties to continue administering the SMA and shoreline area within community development districts, with existing County planning and zoning still applicable, until the community development plan is approved. The bill was not passed out of committee in 2001, so OP will request that the bill be considered by the 2002 Legislature.

LOOKING AHEAD TO FY 01-02 . . . Two proposals will be pursued in the 2002 Legislative session:

- The previously introduced measure to allow the Counties to continue administering SMA permits and SSVs in community development districts where no community development plan is in effect; and
- A measure to establish a coastal zone special fund to allow the CZM Hawaii Program to retain fees, fines, and moneys directed to the Program by non-State sources and use the funds for the purposes of the Program.

VI. SUMMARY AND RECOMMENDATIONS

Summary:

Over the past year, CZM Hawaii has focused efforts on community outreach and education to develop and strengthen partnerships and to increase Program visibility. Presently, success has been marked by increased community inquiries, the development of an internal public log system, the appointment of CZM/County Liaisons, and the reinstatement of quarterly County Coordination meetings. As a result of recent State/Federal level program reviews (which involved widespread public input), participation in local events and the development of new partnerships, CZM Hawaii has capitalized on public exposure as a result from these activities.

Outreach and education will continue as a constant priority for CZM Hawaii, especially over the next five years, as the Program implements its Federal Section 309 Assessment and Strategy and overall vision for enhanced stewardship of our island resources. Addressing the Section 309 Assessment and Strategy priority issues of CSI, Ocean Resources Management, and Coastal Hazards will require community buy-in for its long-term success. Ongoing and future outreach and education efforts will insure that community involvement remains the foundation for CZM Hawaii's accomplishments. As part of this outreach effort, the Program will continue to participate as partners in local, national, and international initiatives that would be beneficial to Hawaii.

Furthermore, CZM Hawaii's outreach and vision, Act 169 was passed, which restructured MACZMAG into an all citizens group. With membership represented from each of the main Hawaiian Islands, public issues and concerns regarding the management of Hawaii's coastal resources will be more effectively addressed.

In addition to CZM Hawaii's work on Section 309 priority areas, community outreach efforts, and daily compliance issues, the Program has also begun to address concerns related to the growth of the cruise ship industry, traditional and customary gathering rights, marine debris, and the protection of coral reefs. Due to CZM Hawaii's network of partners, addressing these issues, as well as others, have become a team effort.

In order to maintain, support, and increase existing levels of community outreach and networking, experienced staff in this field will be required. An effective community outreach effort will require the development of a strategic marketing plan rather than a piecemeal approach. Through a strategic outreach plan, synergy between CZM Hawaii, partner agencies, and public outreach efforts can be realized, while at the same time communicating a cohesive message of community stewardship and sustainability.

Recommendations:

CZM Hawaii's success in its efforts to increase the Program's visibility has produced a positive result. Among these results are (1) the increase in public requests to provide information and resources to address coastal issues; (2) to participate and co-sponsor local events; (3) to serve on committees; (4) to assist technologically (e.g., GIS mapping, training,

etc.); and (5) to provide expertise (e.g., hazard mitigation risk assessment and planning, etc.). Although a positive result, meeting these challenging community expectations are proving to be overwhelming given the level of staffing and lack of available resources. In order to address these challenges, the following CZM Hawaii recommendations are provided for Legislative consideration:

1. *Support CZM Hawaii outreach to promote greater public awareness.*

Creation of an outreach position would provide continuity through events, training, meetings, and other outreach avenues. The position would serve as a liaison with the community to better respond to and organize incoming requests. In addition, a priority of this staff position would involve the development of a strategic outreach and education program that would best meet community expectations and to develop partnerships with respect to CZM Hawaii initiatives. Outreach and education is a full-time job and will require 100% of this staff position's time.

2. *Enhance CZM Hawaii's ability to respond to public complaints and concerns.*

As a result of an increased awareness of the CZM Hawaii Program, the community is now familiar with the Program's role and has become increasingly more comfortable with respect to contacting the Program. This familiarity has resulted in increased responsibilities and staff time to research, analyze and address public concerns. The establishment of an ombudsman position would help alleviate the burden on other staff while providing the community with a dedicated staff contact in which to direct their concerns. Through the work of the ombudsman, consistent problem areas and matters of non-compliance can more readily be identified and resolved in a timely manner.

3. *Respond to Federal concerns regarding the State's commitment to the CZM Program.*

Presently, the State is deficient in providing a dollar match for Federal CZM Hawaii grants. However, at a minimum, it is recommended that the State use general funds to support all six (6) CZM Hawaii civil service positions. Currently, only two civil service positions are general funded by the State. If the State were to fund the remaining four (4) positions, Federal dollars would be made available to fund additional positions or other priority needs.

4. *Allow CZM Hawaii to increase its revenue base by allowing it to retain funds from non-state sources.*

Creation of a coastal zone special fund would allow the Program to retain fees, fines, and moneys directed to the Program by non-state sources and use them for the purposes of the Program. The special fund would specifically (1) allow the CZM Hawaii Program to fulfill public recommendations by providing additional educational, oversight, and research activities; and (2) increase the amount of funding available to OP as match for federal funds awarded to the CZM Hawaii Program.

Agency Acronyms

CDUA	Conservation District Use Applications
CNMI	Commonwealth of the Northern Marianas Islands
CNPCP	Coastal Nonpoint Pollution Control Program
CRI	Coral Reef Initiative
CSC	Coastal Services Center
CSI	Cumulative and Secondary Impacts
CZARA	Coastal Zone Management Reauthorization Amendments
CZMA	Coastal Zone Management Act
CZM Hawaii	Hawaii Coastal Zone Management
DLNR	Department of Land and Natural Resources
DOA	Department of Agriculture
DOBOR	Division of Boating and Ocean Recreation
DOH	Department of Health
DOT	Department of Transportation
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
GIS	Geographic Information System
HAR	Hawaii Administrative Rules
HRS	Hawaii Revised Statutes
LUC	Land Use Commission
LUDBA	Land Use District Boundary Amendments
MACZMAG	Marine and Coastal Zone Management Advisory Group
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination System
OCRM	Office of Ocean and Coastal Resources Management
OEQC	Office of Environmental Quality Control
OP	Office of Planning
ORMP	Ocean Resources Management Plan
OSIS	Ocean Summit Investigative Subcommittee
PASH	Public Access Shoreline Hawaii
POC	Point of Contact
PSA	Public Service Announcement

PSC	Pacific Services Center
RFP	Request for Proposals
RVA	Risk and Vulnerability Assessment
SMA	Special Management Area
SSA	Shoreline Setback Area
SSRI	Social Science Research Institute
SSV	Shoreline Setback Variance
UH	University of Hawaii
UHSSEP	UH Sea Grant Extension Program
ZOM	Zone of Mixing